

Message Text

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ACTION EUR-25

INFO OCT-01 ADP-00 CIAE-00 PM-07 INR-10 L-03 NEA-10

NSAE-00 PA-03 RSC-01 PRS-01 USIA-15 TRSE-00 MBFR-03

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C O N F I D E N T I A L USNATO 3984

E.O. 11652: GDS 31-12-79

TAGS: MCAP, NATO

SUBJECT: BURDEN SHARING: MEETING OF THE STUDY GROUP

REF: USNATO 2932, USNATO 3966; USNATO 3746

BEGIN SUMMARY: STUDY GROUP ON FINACIAL PROBLEMS ARISING FROM THE STATIONING OF FORCES ON THE TERRITORY OF OTHER NATO COUNTRIES CONTINUED ITS DISCUSSION FRIDAY, AUGUST 24, 1973, ON THE VERIFICATION OF DATA PROVIDED BY THE US. GROUP AGREED THAT ON THE BASIS OF AVAILABLE DATA THE INTERNATIONAL STAFF WOULD UNDERTAKE TO PRODUCE AN INITIAL DRAFT OF THAT PART OF THE STUDY GROUP'S REPORT CONCERNED WITH VERIFICATION OF DATA. NEXT MEETING OF THE STUDY GROUP TO CONSIDER INTERNATIONAL STAFF DRAFT OF REPORT SCHEDULED FOR SEPTEMBER 11. END SUMMARY.

1. CHAIRMAN (HUMPHREYS) OPENED THE DISCUSSION BY NOTING THAT DATA REQUESTED BY THE UK (USNATO 3746) HAD BEEN DISTRIBUTED BY THE US ON:

- A. THE TOTAL US BALANCE OF PAYMENTS SITUATION;
- B. THE US BALANCE VIS-A-VISA NATO EUROPE;
- C. THE US BALANCE WITH EUROPE ON MILITARY ACCOUNT GENERALLY;
- D. THE US BALLANCE ON ACCOUNT OF FORCES STATIONED IN EUROPE FOR NATO.

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PRENDERGAST (US) FOLLOWED UP BY DRAWING ATTENTION TO SIGNIFICANT INFORMATION CONTAINED IN DATA ON WHICH US SOUGHT TO FOCUS ATTENTION. STUDY GROUP WAS ALSO GIVEN A DETAILED EXPLANATION BY MCFADDEN OF WHY IT WAS MORE EXPENSIVE TO STATION

US TROOPS IN EUROPE THAT IN THE US, AS A BASIS FOR DISCUSSION OF THE PROBLEM OF ADDED BUDGETARY COSTS.

2. SO THAT WORK MIGHT PROCEED ON PREPARATION OF THE DRAFT REPORT, COUNTRIES WERE REQUESTED BY THE CHAIRMAN TO VALIDATE OR VERIFY THE MILITARY BALANCE FIGURES FOR 1972 WHICH THE US HAD PROVIDED. MOST

COUNTRIES COULD ACCEPT DATA ON EXPENDITURES BUT SOME EXPRESSED UNCERTAINTY ABOUT RECEIPTS DATA. DENMARK COULD NOT ACCEPT THE INCLUSION OF US EXPENDITURES IN GREENLAND AS A PART OF NATO

CACCOUNT. AFTER SOME DISCUSSION HUMPHREYS RULED THAT DATA PROVIDED BY THE US FOR CY 1972 WOULD SERVE AS THE BASIS FOR PREPARATION OF FIRST DRAFT BY THE INTERNATIONAL STAFF OF THAT SECTION OF THE REPORT CONCERNED WITH DATA VERIFICATION; THE BURDEN OF PROOF WOULD REST WITH COUNTRIES CONCERNED IF THEY WISHED TO CHALLENGE RECEIPT DATA. THE FRG INSISTED THAT SOME WORDING ON FUTURE TRENDS IN THE BOP SITUATION BE INCLUDED; THE INTERNATIONAL STAFF USING OECD AND OTHER DATA WILL DRAFT A SECTION FOR THE REPORT. FRG ALSO WISHED REPORT TO RECOGNIZE FACT THAT SOME COUNTRIES MADE A NON-MONETARY CONTRIBUTION TO US FORCES BY PROVIDING SUCH ITEMS AS RENT-FREE FACILITIES, ETC. PRENDERGAST WELCOMED INFORMATION OF THIS NATURE NOT ONLY FROM THE FRG BUT FROM OTHERS AS FURTHER HELP IN OUR EFFORTS TO EXPLAIN TO THE PUBLIC AND CONGRESS WHAT EUROPEANS WERE ALREADY DOING TO SHARE THE BURDEN.

3. HUMPHREYS NOW EXPECTS TO HAVE A FIRST DRAFT REPORT READY BY THE LATTER PART OF NEXT WEEK COVERING BOTH THE DATA ON BUDGETARY AND BOP COSTS AND THE POSSIBLE REMEDIAL MEASURES. BOTH PARTS HAVE BEEN SCHEDULED FOR DISCUSSION BY THE GROUP ON SEPTEMBER 11.

4. MEETING CONCLUDED WITH AN ANIMATED DISCUSSION LED BY THE UK ON THE INCLUSION OF OTHER COUNTRIES WITH BOP PROBLEMS IN THE STUDY. HUMPHREYS WAS FINALLY ABLE WITH SOME DIFFICULTY TO CLOSE OUT THE DISCUSSION BY POINTING OUT THAT THE COUNCIL HAD STILL NOT DRAWN UP TERMS OF REFERENCE, THAT THIS ITEM STILL WAS TO BE SETTLED, AND AT THE MOMENT THE ONLY QUESTION BEFORE THE GROUP

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WAS THE U. S. PROBLEM.
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